

CENTRAL INTELLIGENCE AGENCY

Executive Registry

77-559/13

OFFICE OF THE DEPUTY DIRECTOR

DDA

18 July 1977

NOTE FOR:

Special Assistant to the DCI

SUBJECT: Directorate Reports on Discussions
of Findings of the Two Seminars
on Creativity and Ethics

Per our discussion today, attached
are copies of the subject reports for
use, as well as the
DDCI's and ADDCI's notes to the Director
which briefly summarize them.

Assistant to the Deputy Director

Attachments

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18 JUL 1977

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MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Acting Deputy Director of
Central Intelligence

8 AUG 1977

SUBJECT : DDI and DDO Discussion on Creativity and Ethics

Attached are reports from the DDI and DDO on discussions conducted within their Directorates on Creativity and Ethics. The DDA and DDS&T reports were forwarded to you on 1 July 1977.

The reports closely parallel those of the DDA and DDS&T. In summary, they present the following views:

Fostering Creativity - The DDI felt that management by objective (MBO) would foster creativity and initiative if properly administered. However, the DDO felt that MBO reporting requirements were stifling of creativity. There is some support in both Directorates for "think tanks."

Decisionmaking - The DDI has not felt the "sucking upward" of authority for decisionmaking experienced by other Directorates. Both the DDI and DDO feel authority should be delegated. The DDO hopes to make progress on this front through his reorganization of operating divisions and country branches, which is to be completed in mid-fall 1977.

Channels of Communications and Dissent - Both the DDI and DDO feel a need for better communication with employees. The DDI emphasizes the need to recognize employee performance and achievement. The DDO outlines increased efforts on this subject as a result of the Stockwell letter.

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Ethical Issues - The DDI feels a canon of ethics is unnecessary and impractical. The DDO's discussions split along three lines. A rather small group favors writing some sort of canon of ethics, while the most vocal group is against such an effort. A third view was that it would be worthwhile to continue discussions of this issue.

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John F. Blake

Attachments
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77-559/10

5 JUL 1977

MEMORANDUM FOR: E. H. Knoche
Deputy Director of Central Intelligence

FROM : Paul V. Walsh
Associate Deputy Director for Intelligence

SUBJECT : DDI Comments on Creativity and Ethics Seminars

The following is a preliminary report by the Intelligence Directorate on the findings and recommendations of two seminars sponsored by the Center for the Study of Intelligence on creativity and ethics in the CIA. The report summarizes and synthesizes the comments and suggestions of groups of three representatives from each office of the DDI who were tasked with reviewing the seminars' results.

I. GENERAL REACTIONS

Most DDI offices generally found little to quarrel about in the findings and recommendations of the two groups of CIA officers on the question of creativity and ethics in the Agency -- except for the senior panel's call for a formal canon of ethics which was unanimously dismissed as impractical and unnecessary. Broadly speaking, it was felt that many of the seminars' recommendations have been made before and to a large extent are already in practice, at least in the Intelligence Directorate.

Nevertheless, the DDI feels there is always room for further improvement, and would support a move for a broader-based survey on creativity and ethics by a larger and more representative group than that assembled by the Center for the Study of Intelligence. Indeed, it would have been difficult to convene a less representative group than that put together by the Center. In the senior panel of

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11 people, for example, the DDI and DDS&T each had only one spokesman. In the junior panel of eight, neither of these Directorates was officially represented. Because of the seminars' strong DDO/DDA representation (orientation), many of the resultant conclusions and recommendations seemed designed to ease the burden and improve the lot of the case officer rather than the intelligence analyst. The implications of many issues as they relate to the DDI were not satisfactorily addressed.

II. SPECIFIC REACTIONS TO DDCI SUMMARY OF SEMINAR RECOMMENDATIONS

A. Innovative Approaches to Decisionmaking

The seminars' conclusion that increased outside scrutiny of the Agency has led to greater centralization and a "sucking up-ward" of authority for decisionmaking does not, in the opinion of most DDI offices, have as much validity when applied to the Intelligence Directorate as it might to other directorates. Our respondents cautioned, however, that this should not be interpreted to mean that the DDI is unaffected by outside pressures or has any fewer problems when it comes to creativity and initiative. It is simply that new controls and ethical considerations impinge more directly on other parts of the Agency and, consequently, the level of decisionmaking in the intelligence production area has not changed as markedly as it appears to have elsewhere.

Basically, the DDI is dependent upon its line analysts to produce a quality product. While that product may be subject to considerable refinement and change before it emerges in final form, the analyst almost always plays a key role during the review and decisionmaking process.

Nevertheless, the consensus of DDI respondents was that delegation of authority downward is sound in principle and should be encouraged. In their view, there is a clear correlation between delegation of responsibility and increased initiative and creativity. But delegation is only one side of the coin. It will work only if -- as another seminar recommendation suggests -- individual officers are encouraged to exercise, and in fact do exercise, their authority to the fullest, avoiding unnecessary referrals of minor matters up the line.

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DDI offices also agreed that seminar participants make an important point in stressing that response from below depends in part on a "style of leadership" that demonstrates genuine interest in and receptivity to initiative, creativity, and responsible dissent. In their view, few would argue with the proposition that the way an organization is operated is the primary influence on the way its employees respond.

Creating opportunities for open discussion and dissent before decisions are made was viewed as perhaps the most innovative of the new approaches advanced by the seminar groups. According to most DDI respondents, this technique would not be practical, appropriate, or even necessary in every case, but it might be worth experimenting with when decisions are pending that attract wide interest and significantly affect individuals' careers and attitudes. If creativity and response are what the Agency is trying to improve, then more direct and meaningful participation by those being managed -- even the appearance of it -- in the decisionmaking process should help considerably. The bureaucratic world we live in probably would not allow for as open a decisionmaking process as the seminar members call for, but they make a persuasive case in arguing that indifference to dissent exacts a heavy toll in creativity.

Interdisciplinary approaches to decisionmaking are not novel to the DDI. We already do a good deal of this, but more could probably be done along lines of inter-office and inter-directorate consultation on decisions of common concern. While there remains more "bureaucratic isolation" in the Agency than is healthy for any organization, the determining factor for interdisciplinary decisionmaking should be the commonality of interests among offices. In the view of most respondents, the degree of specialization (over-specialization to some) that exists in the Agency places obvious practical limits on the frequency of cross-directorate decisionmaking.

B. Receptiveness of Management to Innovation

DDI offices concurred by a nearly unanimous margin in the seminars' recommendation for increased use of non-cost methods of recognition to demonstrate management's continuing interest

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in fostering individual initiative. In addition to encouraging greater utilization of such reward devices as medals, certificates of achievement, citations, and letters of commendation, the overwhelming consensus of opinion in the Directorate held that "psychic awards" -- more frequent feedback from senior management and policy-level consumers on the value of an analysts' professional effort -- were far and away the most important inducement to individual creativity and initiative. There was general agreement, however, that senior management is often either negligent or insensitive to the needs of its employees in its failure to pass back constructive comments and appreciation for a job well done.

C. Improved Personnel Management

There was a general consensus within the DDI that greater effort should be made to improve and more uniformly implement existing personnel management programs rather than develop new ones. Promotion policy and fitness reports, characterized by some respondents as "models of inconsistency", were frequently cited as appropriate cases in point.

The seminars' recommendation for increased rotational assignments sparked much less enthusiasm. A number of respondents felt that the Agency would lose more in terms of dislocating specialized skills and expertise than it would gain in terms of providing fresh perspectives and greater creativity. Rotation, in their view, did not automatically or even usually enhance an officer's usefulness. Some respondents did support the concept of increased rotations, but they were very apprehensive that separation from the parent office would impact deleteriously on an individual's chances for promotion and advancement. They argued that more should be done to encourage and reward rotatees, i.e., management must make it clear that rotation enhances rather than impedes one's professional upward mobility.

D. Fostering Creativity

DDI respondents generally supported the seminars' recommendation that MBO be reviewed to determine its impact on creativity and initiative. The consensus was that MBO has

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not been given a proper chance to work and is not widely understood by Agency personnel, nor uniformly applied. Most offices, however, felt that conceptually MBO had much to offer and that, when properly applied, could be an effective management tool in fostering a receptive climate of creativity and initiative.

Representatives of the Office of Weapons Intelligence were particularly supportive of this view. They felt that the MBO exercise of establishing clearly defined, relevant goals and objectives -- as accomplished within OWI by the annual program call -- and having the employee participate and make recommendations during this exercise encouraged initiative and gave the analyst, branch chief, and division chief a clear understanding of the "what, why, and how" of his role within the office.

The concept of establishing "think tanks" received mixed reviews and there was no strong consensus of opinion among DDI respondents. Some offices felt that it was a good idea, provided that the forum did not become too large and unwieldy, the topics for discussion were well-defined, and participants were afforded a reasonable opportunity to make their case without fear of retribution. Others argued, however, that if there is proper vertical participation in the definition of goals and objectives and in the allocation of resources within the line organization, every unit should be a "think" unit. Conversely, the very need for a "think" unit, be it formal or informal, implies that the proper participation and stimulation is not being provided as a matter of normal policy within an organization.

Still others who responded negatively to the "think tank" concept worried that such forums could be a potentially serious drain on scarce research and analytical talent. They were amenable, however, to the idea of holding occasional "retreats" which would reach across organizational boundaries to bring together personnel with common substantive responsibilities for the purpose of tackling particularly difficult problems.

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F. Ethical Issues

There was almost complete unanimity among DDI respondents that a formal canon of ethics for the Agency would be impractical, cumbersome, and probably counterproductive. It was generally felt that no such code could pretend to be all-inclusive, and that situations would inevitably arise for which no specific tenets had been established. When this happened, it was feared there would be a tendency on the part of Agency managers conditioned by the existence of such

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a canon to be overly cautious and avoid risk-taking, a potentially dangerous trend in the intelligence business. The existence of a code of ethics, together with the conservative attitude noted among some Agency middle managers, could result in a loss of initiative, a dampening of the creative spirit which has marked the Agency in the past, and the development of an atmosphere of inhibition which would make it more difficult to retain promising young people or recruit outstanding new employees.

In sum, the DDI majority view was that Ambassador Cleveland put it quite well in his speech to the Agency on 10 May 1977 when he said, "A written code of ethics can never be comprehensive enough or subtle enough to be a satisfactory guide to personal behavior as a public servant." And, he continued, "General prescriptions, whether in the form of dos or don'ts, are bound to be so general as to be useless or so specific as to be unworkable."

As an alternative to the adoption of a formal code of ethics, DDI respondents were fully supportive of the position expressed by the seminars' junior members that the Agency would be better served to instill in its officers a sense of integrity through training and leadership. There was a strong consensus that management at the top must set the proper tone to raise the ethical consciousness of the Agency. Recognizing that what is legally permissible is not necessarily ethical, management, it was felt, should ensure that legal guidelines are widely publicized and should encourage open discussion of ethical issues. Many different forums -- training classes, seminars, lectures in the auditorium, publications -- are available for this purpose. Such discussions would enhance employee awareness and serve as an educational device that would have more potential impact than an ethical canon.

There were no dissenters in the DDI to the proposition that a high level of ethics can be maintained by recruiting individuals of high integrity and adhering to the employee conduct guidelines contained in the Handbook of Required Regulatory Reading [REDACTED]

[REDACTED]
PAUL V. WALSH
Associate Deputy Director
for Intelligence

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77-559/11

6 JUL 1977

MEMORANDUM FOR: Deputy Director of Central Intelligence
FROM : William W. Wells
Deputy Director for Operations
SUBJECT : Ethics, Creativity and Controls
REFERENCE : Your Memorandum of 25 February 1977,
Recommendations of Seminars on Creativity
and Ethics

1. Before addressing the specific questions raised in subject memorandum, I would like to put forth a few general thoughts on the subject of ethics and the intelligence profession. These thoughts are an outgrowth of the various meetings, papers, surveys and discussions which have been held on this subject over the past several months.

2. The subject of drawing up a formal 'canon of ethics' has been widely discussed in a variety of fora within the Directorate over the past year. The voices raised most loudly on the subject feel that ethical guidelines for the intelligence profession are either impractical or unnecessary or both. Others feel that whereas it may be difficult to come up with ethical guidelines, the efforts devoted to a discussion of such a problem would be beneficial in themselves, bringing about a greater sensitivity to the ethical implications of intelligence work. A third and probably rather small group directly favors the writing of some sort of canon.

3. We feel it is pertinent to note that the U.S. military establishment, after a bad experience in the Korean War, drew up a code of conduct for prisoners of war, which was widely credited with enabling most Americans to bear up under the rigors of imprisonment in North Vietnam. Individual POW's state that while they were not able in all cases to adhere fully to the code, it was something for them to strive toward, and thus was a helpful guide to their conduct.

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Perhaps something like that would be helpful to this Directorate. We feel, however, that there cannot be any final answers to questions arising from issues of creativity, ethics and control as long as these issues are conceived to be a kind of bureaucratic tug-of-war between the lawyers and inspectors on one side and the operators on the other. Apparently implicit in this concept is the thought that operators are essentially amoral men working in an ethically trackless field who must submit to a strong ethical code. We reject this view of DO officers, whom we feel already have a strongly developed sense of integrity. We recognize, however, that intelligence work and the pressures which contribute to its intensity, create situations of deep ambivalence where some very broad ethical guidelines could be of assistance. As a final comment, we in the DO believe that today's dangers and problems in the realm of creativity, ethics and controls lie more in the realm of how we treat each other internally than in how we react to outside pressures.

4. The Directorate is well pleased with the selection of Professor Allison as someone to look at the problem from outside the Agency. The Directorate will be content to consider what Professor Allison develops so long as he continues to meet with a representative sampling of Directorate officers.

5. With regard to the recommendations of the seminars on creativity and ethics, the following summarizes DO reactions and progress to date:

A) Innovative approaches to decision making: The DO agrees that decision-making authority should be delegated downward. We are currently engaged in a reorganization of all the operating divisions, which will make country branches the focal points of knowledge on their countries of concern. Country branch chiefs will have cable releasing authority and will be empowered to engage in a full dialogue with their station chiefs. We hope to have this reorganization implemented by mid-Fall 1977.

B) Receptiveness of management to innovation: The reorganization mentioned above includes input from several ad hoc groups which have been formed within the DO over the past several months. The Stockwell letter has helped us to realize

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the prevalence of both misperceptions and credibility gaps within the DO and we are seeking, through improved communications, to make the DO more open to innovation, whether it be in the operational, administrative or reportorial fields. The DDO personally has open house every Saturday, where he meets with anyone who has a matter of concern which he/she wishes to discuss.

C) Improved personnel management: The DO is looking at ways of improving counselling, evaluation and assignment of personnel. Wider application of vacancy notices is being instituted so that more people will be able to put forward their candidacy for positions they desire. We also feel that the division reorganization outlined above will result in clearer command lines and more precise delineation of responsibility and thus better management.

D) Fostering creativity: One of the key findings of the task force which studied paper and bureaucracy was that the reporting requirements of the MBO system were so heavy as to be in themselves stifling of creativity. We are involved now in lightening these reporting requirements and making them uniform for all divisions. We fully agree that "think tanks" are a good vehicle through which original ideas can be expressed and support the view that they should be more widely used.

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F) Ethical issues: In order to sensitize DO officers

- 3 -

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to some of the problems which they may face in a tour abroad, a recent running of the Mid-Career Course included group discussions of three hypothetical situations with strong ethical implications. The course members enjoyed the discussions and felt they had profited from them, but felt that the writing of a formal canon was not necessary.



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William W. Wells

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MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Ethics, Creativity and Controls

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(6 July 1977)

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

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EXTENSION

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TO: (Officer designation, room number, and building)

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

DCI

Rec'd 19 July

- 8 AUG 1977

SJ/amy

ADDITIONAL ✓
CREATIVITY AND
ETHICS MATERIAL -
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AND DDI.

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